



July 25, 2008

Honorable Arnold Schwarzenegger  
Governor  
State of California  
State Capitol  
Sacramento, CA 95814

Dear Governor Schwarzenegger:

We commend you for working to find effective solutions to the complex problems of the Delta ecosystem and the water needs of California. As in the past, bond financing will be an important part of any solution and we wish you well in your current efforts to develop bond proposals.

Delta Vision was charged with developing “a durable vision for sustainable management of the Delta” with the goal of “...managing the Delta over the long term to restore and maintain...the environmental quality of the Delta and the economic and social well-being of the people of the state.” Our Vision was issued late last year and we will produce our Strategic Plan by October 2008.

The bond proposal you are discussing is one in a long line of previous bonds and statutes that addressed the Delta ecosystem and water supply for Californians. No single bond can itself achieve such important goals; indeed, the need for additional major bond spending for ecosystem and water supply purposes will continue for many decades to come.

We have not taken a position on any legislation and do not do so now. However, we do want to emphasize the message of our adopted vision and describe to you some of the ultimate recommendations we are likely to make in our strategic plan.

Our strategic plan will contain the following major policy goals:

- **There are two co-equal goals that should drive California’s water and environmental policy: achievement of a productive Delta ecosystem and a reliable water supply for California.** These co-equal goals should be enshrined in statute.

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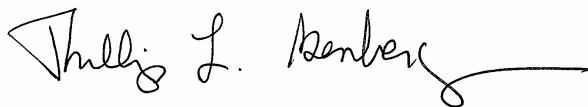


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- **A new system of governance for the Delta focused on achieving the co-equal goals of productive ecosystem and water supply is absolutely essential.** This system of governance must have appropriate funding sources --- including fee setting authority --- to achieve the co-equal goals. It must also have clear authority to act to ensure consistency of actions among departments.
- **Conservation, water system efficiencies and improvements, and regional self sufficiency are the starting point for the entire debate about water.** Steps to encourage, or mandate, such actions should be commenced immediately and continue for as far into the future as we can see. The Governor's proposal for a 20 percent reduction in per capita water use by year 2020 is a good example of the kind of effort needed.
- **Immediate improvements to the existing Delta conveyance system are essential.** Threats from earthquakes, floods and sea level rise are real and should compel action. These in-Delta improvements will help protect the water supply currently in place and also help to improve the current Delta ecosystem. These improvements cannot be delayed.
- **Future conveyance facilities and associated storage must be designed in a combined manner that provides the management flexibility needed to achieve the Vision.** This will include the flexibility to meet ecosystem needs, to provide greater reliability in water supply, to maximize the taking of water in wet periods when it is most available, and to accommodate the kinds of transfers and regional self-sufficiency needed. This flexibility will be increasingly critical to capture water during wet periods and to cope with predicted increased volatility of weather.

Enclosed is draft language which illustrates how the first two policy goals might be incorporated into bond language.

Sincerely,

A handwritten signature in black ink, reading "Phillip L. Isenberg". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Phillip L. Isenberg, Chair  
Delta Vision Blue Ribbon Task Force

Enclosure

cc: (See attached list.)

Honorable Arnold Schwarzenegger  
July 25, 2008

List of Courtesy Copies

Delta Vision Blue Ribbon Task Force Members  
650 Capitol Mall, 5<sup>th</sup> Floor  
Sacramento, CA 95814

Honorable Mike Chrisman  
Secretary for Resources  
Resources Agency  
1416 Ninth Street, Room 1311  
Sacramento, CA 95814

Mr. Lester Snow, Director  
Department of Water Resources  
1416 Ninth Street, 11th Floor  
Sacramento, CA 95814

**Proposed language to insert in any bond proposal to link to Delta Vision recommendations**

Chapter XX. Sustainable Management of the Bay-Delta

1. It is the intent of the Legislature, consistent with the recommendations of the Governor's Delta Vision Blue Ribbon Task Force, to implement, at the earliest possible time a comprehensive and linked program for sustainable management of the Bay-Delta, including, among other things, the establishment of a new delta governance entity with long-term policy, funding, and oversight authority.
2. The Legislature finds and declares that it is state policy to achieve sustainable management of the Bay-Delta through the simultaneous achievement of the co-equal goals of a revitalized and resilient ecosystem and a reliable water supply for Californians.
3. Notwithstanding any other provision, to be eligible to be financed pursuant to this division, any project, action or activity that will wholly or partially assist in the fulfillment of one or both of the co-equal goals specified in #2 shall be consistent, as certified by the Secretary for Resources, with the Delta Vision Blue Ribbon Task Force's November 2007 Vision and its October 2008 strategic plan, including requirements for linked implementation, quantifiable performance measures, monitoring, and adaptive management.
4. Bond covenants and contract language for use of the facilities will specify: (a) use of any facility financed pursuant to this division shall be operated consistent with the co-equal goals and the recommendations of the Governor's Delta Vision Blue Ribbon Task Force; and (b) contractors shall optimize water use efficiency, including reducing per capita use by 20 percent in their service area with appropriate allowance for early action.
5. Upon establishment of the new delta governance entity contemplated in this chapter:
  - (a) All unallocated funds previously appropriated under this division for projects, actions or activities that will wholly or partially assist in the fulfillment of one or both of the co-equal goals specified in #2 shall be transferred to the new entity for expenditure, grant or loan consistent with the long-term sustainable management plan adopted by that entity.
  - (b) All new funds appropriated under this division for projects, actions, or activities and all revenues generated by any fee, charge or tax created by this act that will wholly or partially assist in the fulfillment of one or both of the co-equal goals specified in paragraph 2 shall also be received by the new entity and shall be expended, granted or loaned consistent with the long-term sustainable management plan adopted by that entity.